

**BEFORE THE DEPARTMENT OF COMMERCE AND INSURANCE
FOR THE STATE OF TENNESSEE**

IN THE MATTER OF:

PLATEAU CASUALTY INSURANCE COMPANY

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No.: 05-055

ORDER ADOPTING EXAMINATION REPORT WITH DIRECTIVES

Pursuant to Tenn. Code Ann. §§ 56-1-401, *et seq.*, the Insurance Division of the State of Tennessee Department of Commerce and Insurance (hereinafter referred to as the “Division”) has examined certain affairs of Plateau Casualty Insurance Company (hereinafter also referred to as the “Company”), an insurance company domiciled in the State of Tennessee. As a result of an examination conducted as of the 31st day of December, 2004, the examiner-in-charge filed with the Division, on the 26th day of July, 2005, a verified, written report on examination, and a copy of that report has been sent to Plateau Casualty Insurance Company. (The Report on Examination of Plateau Casualty Insurance Company is attached hereto and marked as Exhibit A). The Division received no written rebuttal to said examination report from the Company.

Pursuant to Tenn. Code Ann. § 56-1-411, said examination report regarding the affairs of Plateau Casualty Insurance Company, filed with the Insurance Division of the State of Tennessee Department of Commerce and Insurance on the 26th day of July, 2005, is hereby **ADOPTED** as filed with the following **DIRECTIVES**:

1. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-11-206(a)(2) by notifying the Commissioner in writing of its intention to enter into any transactions listed under § 56-11-206(a)(2)(C) at least thirty (30) days prior to doing so, so as to allow the Commissioner to review such transactions and determine whether or not to disapprove them.

2. The Company is **DIRECTED** to comply with Tenn. 56-1-501(b) by completing its annual statement in accordance with the annual statement instructions established by the Commissioner. This compliance includes, but is not limited to, properly establishing as a liability for unauthorized reinsurance those amounts of reinsurance recoverables not covered by trust agreements, which totaled one hundred three thousand dollars (\$103,000) as noted in the Company's 2004 Annual Statement.
3. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-3-112 and Tenn. Comp. R. & Regs., ch. 0780-1-46-.04 (1999) by maintaining a custodial agreement that complies with said rule, should the Company choose an authorized method of holding its securities that requires such an agreement.

The company shall comply with the directives contained in this order within thirty (30) days of its entry.

The adoption of this examination report shall not preclude the Department from imposing sanctions against Plateau Casualty Insurance Company for potential violations of the Tennessee Insurance Law which may be revealed in the examination report, it being the intent of this Order Adopting Examination Report With Directives merely to adopt the examination report filed by the examiner-in-charge.

It is so **ORDERED**.

ENTERED this the 3rd day of August, 2005.

Paula A. Flowers

Paula A. Flowers, Commissioner
Department of Commerce and Insurance
State of Tennessee

PREPARED FOR ENTRY:

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Order Adopting Examination Report as Filed has been messenger mailed to Larry C. Knight, Jr., Assistant Commissioner for Insurance, Department of Commerce and Insurance, and Don Spann, Chief Examiner, Department of Commerce and Insurance, and mailed, first class, postage prepaid, to Plateau Casualty Insurance Company, 2701 North Main Street, Crossville, Tennessee 38555, on this the 5th day of August, 2005.

Eric J. Stansell

Eric J. Stansell
Certifying Attorney